

Comments for the Record
United States House of Representatives
Committee on Ways and Means
Subcommittee on Human Resources
Hearing on Unemployment Insurance:
An Overview of the Challenges and Strengths of Today's System
Wednesday, September 7, 2016, 10:00 A.M.

By Michael G. Bindner
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Chairman Buchanan and Ranking Member Doggett, thank you for the opportunity to submit these comments for the record to the Human Resources Subcommittee. We will leave it to the Administration witnesses to comment on program integrity and trust fund solvency and will concern our comments with reemployment strategies, as well as the unmentioned and most urgent topic of program payment sufficiency within the Unemployment Insurance system.

Unemployment insurance should offer workers the ability to step up, seeking further training and even more advanced education at the community college level and higher. Of course, the Unemployment Insurance Trust Fund is not the place to fund such projects – new funding streams should be developed. Because this training will ultimately benefit employers, some kind of employer subtraction value added tax would be the appropriate vehicle for both training costs and the training stipend. The H-1B technical skills training program can also be used for some of these funds. More highly trained workers would be given placement assistance and would be eager to demonstrate their new skills in the marketplace.

Unemployment benefit adequacy is the difference between losing your home and paying your credit cards and seeking bankruptcy protection. The recovery has not yet attained the velocity to make re-employment an automatic thing – even with placement assistance is the One Stop system.

There is a movement to increase the minimum wage to \$15 an hour. It has already succeeded in some states and is likely to go national in the very near future. When it does so, Unemployment Compensation should be increased to match what a full-time minimum wage worker receives, lest the unemployed be forced to take jobs at that level of skill (when in fact, such workers should be receiving the paid training described above). Likewise, people on SSDI – and even SSI – should receive the same level of basic benefit – with higher benefiting recipients receiving the same higher benefits they receive now, boosted by the new minimum wage – which should pay for the transition in tax revenues.

For many, the United States has become the home of the poor. We can and should fix that. It will simply require employers to transfer productivity gains from CEOs to rank and file employees. We can do this now, without fuss, or we can bring back wage and price controls and the 70% tax rate to keep these funds out of executive hands. I suggest we do so the easy way without engaging punitive tax rates and price controls.

Thank you for the opportunity to address the committee. We are, of course, available for direct testimony or to answer questions by members and staff.

Contact Sheet

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